

ANNEX
BETWEEN
THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION
JOHN F. KENNEDY SPACE CENTER
AND INNOVATIVE TECHNOLOGY, INC.
UNDER SPACE ACT UMBRELLA AGREEMENT
KCA-4694 (ANNEX NUMBER 1)

ARTICLE 1. PURPOSE

This Annex shall be for the purpose of NASA Kennedy Space Center (KSC) providing Innovative Technology with NASA Engineering Directorate (NE) engineering laboratory services to perform corrosion and materials testing using NASA KSC's Beachside Atmospheric Corrosion Test Site and accompanying facilities.

The legal authority for this Annex, consistent with the Umbrella Agreement, is in accordance with the Space Act, Other Transactions Authority (OTA), 51 U.S.C. § 20113(e).

ARTICLE 2. RESPONSIBILITIES

A. NASA KSC will use reasonable efforts to:

1. Provide Innovative Technology, Inc. with NE lab services for corrosion and materials testing at the Beachside Corrosion Test Site and other locations at KSC used for detailed sample preparation and periodic analysis of samples during test.
2. Provide Innovative Technology, Inc. with a statement of work, estimated cost and proposed schedule for each shipment of test articles to be tested. NASA KSC will use reasonable efforts to meet the following tasks:
 - a. Inspect test articles installed at the beachside corrosion test facility or other accompanying test set-ups according to American Standard Testing Materials (ASTM) standards
 - b. Report results to Partner.
 - c. Document studies via photo documentation.
 - d. Provide final report of tests including description of any corrosion damage with photographic documentation.
 - e. Return all test articles to Partner after completion of tests.
3. Provide Innovative Technology, Inc. with follow-up financial reports detailing the services provided and the associated cost.

B. Innovative Technology, Inc. shall:

1. Reimburse NASA in accordance with the NASA KSC cost estimate for services provided.
2. Forward advance payments to NASA in accordance with its Umbrella Agreement.
3. Coordinate services appropriately via e-mail with Technical POC listed in Article 7 of this Annex. Partner will use reasonable efforts to meet the following tasks:
 - a. Ship the test articles to NASA KSC.
 - b. Provide a detailed test plan in cooperation with NASA KSC.
 - c. Review draft NASA KSC report and provide feedback.
 - d. Accept final NASA KSC report.

ARTICLE 3. FINANCIAL OBLIGATIONS

A. Partner agrees to reimburse NASA an estimated cost of \$83,260.98 for NASA to carry out its responsibilities under this Annex. Each payment shall be marked with "Kennedy Space Center KCA-4694" and Annex number 1.

B. NASA will not provide services or incur costs beyond the current funding. Although NASA has made a good faith effort to accurately estimate its costs, it is understood that NASA provides no assurance that the proposed effort under this Annex will be accomplished for the estimated amount. Should the effort cost more than the estimate, Partner will be advised by NASA as soon as possible. Partner shall pay all costs incurred and have the option of canceling the remaining effort, or providing additional funding in order to continue the proposed effort under the revised estimate. Should this Annex be terminated, or the effort completed at a cost less than the agreed-to estimated cost, NASA shall account for any unspent funds after completion of all effort under this Annex, and promptly thereafter, at Partner's option return any unspent funds to Partner or apply any such unspent funds to other activities under the Umbrella Agreement. Return of unspent funds will be processed via Electronic Funds Transfer (EFT) in accordance with 31 C.F.R. Part 208 and, upon request by NASA, Partner agrees to complete the Automated Clearing House (ACH) Vendor/Miscellaneous Payment Enrollment Form (SF 3881).

ARTICLE 4. INTELLECTUAL PROPERTY RIGHTS - DATA RIGHTS

A. Data produced under this Annex which is subject to paragraph C. of the Intellectual Property Rights - Data Rights Article of the Umbrella Agreement will be protected for the period of one year.

B. Under paragraph H. of the Intellectual Property Rights - Data Rights Article of the Umbrella Agreement, Disclosing Party provides the following Data to Receiving Party. The lists below may not be comprehensive, are subject to change, and do not supersede any restrictive notice on the Data provided.

1. Background Data: The Disclosing Party's Background Data, if any, will be identified in a separate technical document.
2. Third Party Proprietary Data: The Disclosing Party's Third Party Proprietary Data, if any, will be identified in a separate technical document.
3. Controlled Government Data: The Disclosing Party's Controlled Government Data, if any, will be identified in a separate technical document.
4. The following software and related Data will be provided to Partner under a separate Software Usage Agreement: None

ARTICLE 5. TERM OF ANNEX

This Annex becomes effective upon the date of the last signature below ("Effective Date") and shall remain in effect until the completion of all obligations of both Parties hereto, or five years from the Effective Date, whichever comes first, unless such term exceeds the duration of the Umbrella Agreement. The term of this Annex shall not exceed the term of the Umbrella Agreement. The Annex automatically expires upon the expiration of the Umbrella Agreement.

ARTICLE 6. RIGHT TO TERMINATE

Either Party may unilaterally terminate this Annex by providing thirty (30) calendar days written notice to the other Party.

ARTICLE 7. POINTS OF CONTACT

The following personnel are designated as the Points of Contact between the Parties in the performance of this Annex.

Management Points of Contact

NASA John F. Kennedy Space Center

Dr. Eliza Montgomery
Corrosion Laboratory Technical Manager
Mail Stop: Mail code: NE-L4
Kennedy Space Center, FL 32899
Phone: 321-867-6364
Eliza.L.Montgomery@nasa.gov

Innovative Technology, Inc.

Ralph Tapphorn
VP of Technology
Mail Suite: P.O. Box 60007 Santa
Barbara, CA 93160-0007
1501 Cook Place
Santa Barbara, CA 93117-3123
Phone: 805-637-7040
rtapphorn@inovati.com

Technical Points of Contact

NASA John F. Kennedy Space Center

Dr. Eliza Montgomery

Innovative Technology, Inc.

Ralph Tapphorn

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rtapphorn@inovati.com

ARTICLE 8. MODIFICATIONS

Any modification to this Annex shall be executed, in writing, and signed by an authorized representative of NASA and the Partner. Modification of an Annex does not modify the terms of the Umbrella Agreement.

ARTICLE 9. SIGNATORY AUTHORITY

The signatories to this Annex covenant and warrant that they have authority to execute this Annex. By signing below, the undersigned agrees to the above terms and conditions.

NATIONAL AERONAUTICS AND
SPACE ADMINISTRATION
JOHN F. KENNEDY SPACE
CENTER

INNOVATIVE TECHNOLOGY, INC.

BY: _____
Shawn Quinn
Director, Engineering

BY: Howard Gabel
Howard Gabel
President, Innovative Technology, Inc.

DATE: _____

DATE: 12/29/2001